

TENNESSEE REGULATORY AUTHORITY

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TENNESSEE REGULATORY AUTHORITY TAKES TOUGH STAND AGAINST TELEPHONE "SLAMMERS"

NASHVILLE -- In its effort to protect Tennessee consumers against deceptive and unethical treatment by telephone companies, the Tennessee Regulatory Authority (TRA) took decisive action today against a long-distance service provider.

The TRA fined BFI Communications, Inc. \$22,800 for engaging in the unlawful practice of "slamming." Slamming is the unauthorized switching of a customer's long-distance carrier.

"This level of fine will send a strong message to companies that the TRA will not tolerate the abuse of Tennessee consumers and the willful violation of its rules and regulations," says Eddie Roberson, TRA's Chief of Consumer Services.

Under Tennessee law, companies that are found guilty of slamming are required to respond to the TRA to explain their actions. Failure to respond may result in fines of up to \$100 per day-per complaint. The TRA received seven complaints of slamming against BFI Communications and the amount fined was the maximum a company could be fined under state law.

California based BFI Communications has been authorized to offer long-distance telecommunications services in the state of Tennessee since the passage of the Telecommunications Act of 1996 (the "Act").

The passing of the Act was designed to foster competition in all telecommunications markets. Its passage allows telephone companies to market their products and services against one another thereby allowing consumers greater choice of who provides their telephone services.

Tennessee has over 250 long-distance telecommunications companies certified to provide competitive services in the state.

The Federal Communications Commission reports that "slamming" has become the nation's number one consumer complaint. Since 1997, the state of Tennessee has seen the number of complaints about slamming increase. In 1997 there were 382 cases of slamming reported to the TRA. As of July 1998, the TRA has received and documented 364 complaints of slamming.

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